

Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W
----- 060552

O R 111455Z SEP 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 2988

INFO AMEMBASSY LONDON

S E C R E T SECTION 01 OF 02 PARIS 23389

EXDIS

E.O. 11652: XGDS

TAGS: PARM, TECH, FR

SUBJECT: FRENCH BILATERAL REQUESTS

REF: STATE 214860

1) AT LUNCH PRECEDING U.S./FRENCH BILATERAL DISCUSSIONS WITH FRENCH, DE NAZELLE ASKED IF U.S. WOULD DISCUSS STATUS OF SPECIFIC FRENCH BILATERAL REQUESTS ON COCOM AND THE WESTINGHOUSE/FRAMATOME LICENSING QUESTION.

2) ON COCOM REACTOR SALES TO USSR, U.S. DEL OUTLINED "PRINCIPLES" IN NSDM 298 GUIDANCE IN CONNECTION WITH PROPOSED FRG REACTOR TO USSR. FRENCH SEEMED TO FEEL PRINCIPLES WERE SOUND AND THAT NEITHER SOVIET ASSURANCES OF PEACEFUL USES OR SOVIET SUPPLY OF URANIUM ORE SHOULD PRESENT ANY PARTICULAR PROBLEM.

3) U.S. DEL POINTED OUT THAT U.S. HAD APPROVED SPECIFIC FRG REACTOR SALE WITH THESE CONDITIONS AND THAT PRINCIPLES WOULD ALSO BE APPLIED TO FUTURE SALES. HOWEVER, U.S. WOULD CONTINUE TO CONSIDER REACTOR SALES ON CASE-BY-CASE BASIS TO ASSESS STRATEGIC SIGNIFICANCE. OF PARTICULAR CONCERN TO U.S. IN THIS REGARD IS RELEVANCE OF ANY TRANSFERRED TECHNOLOGY AND KNOW-HOW TO SOVIET SUBMARINE NUCLEAR PROPULSION PROGRAM. THIS WAS A
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MATTER OF CONCERN WITHIN U.S. GOVT AND CONGRESS.

4) U.S. DEL ADDED THAT BEFORE ANY DECISION COULD BE MADE ON FRENCH REQUEST SUBMITTED THROUGH WESTINGHOUSE, U.S. WOULD HAVE TO THOROUGHLY STUDY THIS QUESTION. TO DO THIS, U.S. WOULD NEED INFORMATION ON THE NATURE OF THE SALE, ITS EXTENT AND SPECIFIC TECHNICAL INFO ON WHAT EQUIPMENT AND/OR TECHNICAL KNOW-HOW WOULD BE TRANSFERRED. ALSO, FRENCH EVALUATION OF APPLICABILITY OF FRAMATOME/WESTINGHOUSE LWR TECHNOLOGY TO SOVIET NUCLEAR PROPULSION PROGRAM WOULD ALSO BE HELPFUL. FRENCH DEL SAID THEY WOULD FURNISH US WITH SUCH INFO AND MIGHT ASSESS THE STRATEGIC RELEVANCE IN COMPARISON TO PROPOSED FRG (KWU) REACTOR SALE.

5) ON WESTINGHOUSE/FRAMATOME LICENSING QUESTION, U.S. DEL OUTLINED INITIAL POSITION AS AUTHORIZED IN REFTEL. FRENCH (GIRARD) RESPONDED THAT GOF FOUND FRAMATOME/WESTINGHOUSE CHANNEL FOR USG APPROVAL OBJECTIONABLE AND THAT GOF DESIRED TO ELIMINATE NEED FOR FRENCH FIRM TO DEAL IN EFFECT WITH USG. THEY WOULD STRONGLY PREFER GOVT-TO-GOVT AGREEMENT WHERE FRAMATOME WOULD COME TO GOF FOR APPROVAL AND GOF WOULD THEN CONSULT WITH U.S.

6) U.S. DEL POINTED OUT THAT ANY SUCH ARRANGEMENTS WOULD BE ONLY A CHANGE IN PROCEDURE, SINCE GOF WOULD STILL HAVE TO SEEK USG APPROVAL WHETHER BILATERALLY OR THROUGH COCOM, WHICHEVER WAS APPROPRIATE. TO DO OTHERWISE WOULD REQUIRE CHANGE IN U.S. LAW CONTROLLING INDIRECT TRANSFERS BY U.S. COMPANIES. FRENCH DEL (GIRARD AND GOLDSCHMIDT) ACKNOWLEDGED THE PROCEDURAL NATURE OF PROPOSED CHANGE BUT SAID THAT SUCH A CHANGE FROM THE CURRENT FRAMATOME/WESTINGHOUSE/USG CHANNEL TO A FRAMATOME/GOF/USG CHANNEL WAS IMPORTANT TO THE GOF. U.S. DEL THEN INDICATED THAT SUCH A PROCEDURAL CHANGE COULD PROBABLY BE MANAGED (FALLBACK AUTHORIZED IN REFTEL).

7) GOLDSCHMIDT THEN ASKED ABOUT THE QUESTION OF RETURN OF URANIUM TAILS ASSOCIATED WITH TOLL ENRICHMENT IN
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USSR. U.S. DEL OUTLINED RATIONALE FOR RETURN OF TAILS BUT INDICATED THAT DUE TO OPPOSITION IN COCOM OF FRANCE AND OTHERS, U.S. WOULD BE PREPARED TO REACH COMPROMISE ON LEVEL OF U235, BELOW WHICH TAILS NEED NOT BE RETURNED. AFTER STUDY, U.S. HAD ARRIVED AT VALUE OF .2 U235 ASSAY.

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O R 111455Z SEP 75

FM AMEMBASSY PARIS

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8) FRENCH INITIALLY QUESTIONED VALUE AS PERHAPS BEING TOO LOW. GOLDSCHMIDT SAID THAT SOVIETS CURRENTLY ALLOW FRANCE TO SPECIFY TAIL ASSAY WITHIN A RANGE BUT HE THOUGHT .2 WAS BELOW THIS RANGE. ON THE OTHER HAND, PRICE OF URANIUM ORE HAD GONE UP AND PERHAPS ECONOMICALLY IT WAS NOW BETTER FOR FRANCE TO HAVE TAILS RETURNED. U.S. DEL POINTED OUT THAT HIGHER COST OF ORE WOULD SIMILARLY ARGUE FOR NEGOTIATING WITH THE SOVIETS LOWER TAIL ASSAYS TO REDUCE ORE REQUIRED TO OBTAIN GIVEN AMOUNT OF ENRICHED PRODUCT. FRENCH DEL SAID THAT CONCEPT OF COMPROMISE WAS REASONABLE BUT THEY WOULD HAVE TO EXAMINE LEVEL FURTHER.

9) ON OTHER TOPICS, GOLDSCHMIDT SAID HE HAD HEARD THAT SOVIETS WERE PLANNING TO ACTIVELY MARKET THE SOVIET 440 MW AND 1000 MW REACTORS THROUGHOUT THE EASTERN BLOC COUNTRIES. HOWEVER, THEY CONTEMPLATED PRODUCTION PROBLEMS FOR SOVIET INDUSTRY AND THEREFORE PLANNED TO USE A CZECH-BASED FIRM AS PRIME MANUFACTURER FOR THE REACTOR VESSELS. GOLDSCHMIDT ALSO SAID HE HAD HEARD THAT CANADIANS WERE AGAIN TRYING TO SELL REACTORS TO ROMANIA; HE ASKED WHAT U.S. KNEW OF CANADIAN ACTIVITIES IN THIS REGARD. U.S. DEL TOLD HIM THAT WE WERE AWARE THAT CANADIANS AND ROMANIANS WERE TALKING ABOUT SALE OF ONE OR TWO REACTORS BUT THAT WE HAD NO DETAILS.

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10) COMMENT: IN GENERAL, THE FRENCH SEEMED BOTH SURPRISED AND PLEASED THAT THE U.S. WAS PREPARED TO GO AS FAR AS IT HAD INDICATED IN ATTEMPTING TO SATISFY THE FRENCH BILATERAL REQUESTS. DE NAZELLE, IN PARTICULAR, SEEMED TO APPRECIATE THIS FACT AND THE INDIRECT LINKAGE TO FRENCH ATTITUDES ON OTHER U.S./FRENCH BILATERAL AND MULTILATERAL ISSUES.

11) REPORT ON WEDNESDAY DISCUSSIONS WITH FRENCH ON MULTILATERAL AND BILATERAL NUCLEAR SUPPLIES ISSUES FOLLOWS BY SEPTTEL.
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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DIPLOMATIC DISCUSSIONS, EXPORT LICENSES, NUCLEAR REACTORS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 SEP 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PARIS23389
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750315-0094
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750962/aaaaccoh.tel
Line Count: 188
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: SECRET
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: EXDIS
Reference: 75 STATE 214860
Review Action: RELEASED, APPROVED
Review Authority: GarlanWA
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 May 2003 by GarlanWA>; APPROVED <28 MAY 2003 by GarlanWA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FRENCH BILATERAL REQUESTS
TAGS: PARM, TECH, FR, US, GE, UR, (DE NAZELLE)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006